GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

STARRED QUESTION NO:188
ANSWERED ON:03.12.2001
NATIONAL ALUMINIUM COMPANY
R.L. JALAPPA

Will the Minister of COAL AND MINES be pleased to state:

(a) whether National Aluminium Company Limited (NALCO)has been following the price increase policy of Hindalco and increasing its price almost simultaneously and frequently, thus forming a cartel;

(b) if so, the details thereof;

(c) the reasons for maintaining the exorbitant selling price in parallel with Hindalco and not at international level when domestic cost is less; and

(d) the steps taken by the Government to avoid cartelisation and check such practice?

Answer

THE MINISTER IN THE MINISTRY OF COAL AND MINES (SHRI RAM VILAS PASWAN)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 188 FOR ANSWER ON 3.12.2001 AS BY SHRI R.L.JALAPPA REGARDING NATIONAL ALUMINIUM COMPANY.

(a) to (d) NALCO has its own pricing, discount and credit policy for sale of aluminium metal in the domestic market.Neither does the Company follow the pricing policy of HINDALCO nor is it in any cartel with the latterAluminium metal being under the Open General License (OGL) category for import/export, NALCO`s pricing policy has to take into account many factors including the metal`s price in London Metal Exchange (LME), landed cost for imported metal, and demand/supply conditions in the domestic market.The Aluminium sector is decontrolled and the metal is freely tradeable. Since the prices are market driven, there is no question of NALCO maintaining exorbitant selling prices.